

BOARD OF MAYOR AND ALDERMEN

September 7, 2004

7:30 PM

Mayor Baines called the meeting to order.

The Clerk called the roll. There were twelve Aldermen present.

Present: Aldermen Roy, Gatsas, Guinta, Sysyn, Osborne, O’Neil, Shea,
DeVries, Garrity, Smith, Thibault, Forest

Absent: Aldermen Porter and Lopez

Mayor Baines stated before we begin the meeting I would like to ask the Board to observe a moment of silent prayer in honor of former State Senator George Disnard who recently passed away and served with both Alderman Gatsas and Alderman O’Neil and served the entire state in a distinguished manner and I’d also ask a moment of silence in honor of Charlie Marston the former Commissioner of Education for the State of New Hampshire who also passed away recently.

Mayor Baines advised that the presentation of the key to the City to Mr. Jack Brady would occur on another date.

Mayor Baines advised that the proclamation in honor of the Manchester City Library’s 150th Anniversary would be deferred to another meeting.

CONSENT AGENDA

Mayor Baines advises if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Ratify and Confirm Polls Conducted

- A.** Approving a request of the Police Department to apply for a COPS Interoperable Communications Technology Program Grant in the amount of \$209,860 with the City’s share being \$52,465.
(Aldermen Roy, Guinta, Sysyn, Osborne, Porter, O’Neil, Lopez, Shea, DeVries, Garrity, Thibault and Forest voted yea. Alderman Gatsas voted nay with Alderman Smith being unavailable.)
- B.** Approving transfer of up to \$5,200 in contingency funds for signage at the Brown Mitchell Park.
(Unanimous consent.)

Approve under supervision of the Department of Highways

- C. PSNH Pole Petition #11-1011 located on So. Porter Street;
PSNH Pole Petition #11-1012 located on Pratt Court;
PSNH Pole Petition #11-1013 located on Martin Street; and
PSNH Pole Petition #11-1015 located on Blodget Street.

Informational – to be Received and Filed

- D. Communication from Jeffrey Bolduc, Chairman of the Elderly Services Commission submitting an advisory report regarding the Senior Activity Center/Administration-Personnel/Operating Procedures.
- E. Minutes of the Mayor's Utility Coordinating Committee meeting held on August 18, 2004.
- F. Communication from Comcast advising of the franchise fee payment for the second quarter of 2004 in the amount of \$276,185.69.

REFERRALS TO COMMITTEES

COMMITTEE ON FINANCE

- G. Resolutions:

“Amending the FY2003 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Five Thousand Dollars (\$25,000) for FY2003 CIP 713303 – South Willow Street Area Improvements.”

“Amending the FY2004 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars (\$10,000) for FY2004 CIP 412004 Speed Enforcement Program.”

“Authorizing the Finance Officer to effect a transfer of Ten Thousand Dollars (\$10,000.00) from Contingency to FY04 CIP Project 412004 – Speed Enforcement Program.”

“Authorizing the Finance Officer to effect a transfer of Five Thousand Two Hundred Dollars (\$5,200.00) from Contingency to City Clerk Special Projects.”

REPORTS OF COMMITTEES

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

- H. Advising that it has accepted the City's Monthly Finance Statements for the one-month ended July 31, 2004 for FY2005 submitted by the Finance Department, and is forwarding same to the Board for informational purposes.
- I. Advising that it has accepted the audit status updates submitted by the Finance Department, and is forwarding same to the Board for informational purposes.

- J.** Advising that it has accepted the following Finance Department reports:
- a) department legend;
 - b) open invoice report over 90 days by fund;
 - c) open invoice report for all invoices for interdepartmental billings only;
 - d) open invoice report all invoices due from the School Dept. only;
 - e) listing of invoices submitted to City Solicitor for legal determination;
 - and
 - f) accounts receivable summary.
- and is forwarding same to the Board for informational purposes.

COMMITTEE ON BILLS ON SECOND READING.

- K.** Recommending that an Ordinance:
“Amending Chapter 32. Boards, Commissions, and Departments of the Code of Ordinances of the City of Manchester by renaming the Art Commission to the Arts Commission.”
ought to pass.
- L.** Recommending that an Ordinance:
“Amending Sections 33.024, 33.025 and 33.026 (Economic Development Director) of the Code of Ordinances of the City of Manchester.”
ought to pass as amended.
- M.** Recommending that an Ordinance:
“Amending Section 33.025 (Assistant to the Assessor) of the Code of Ordinances of the City of Manchester.”
ought to pass as amended.
- N.** Recommending that an Ordinance:
“Amending Chapter 38: Code Enforcement of the Code of Ordinances of the City of Manchester by inserting new penalties in Section 38.06(A): Citation Penalties for various violations of Chapter 94: Noise Regulations.”
ought to pass.
- O.** Recommending that Ordinances:
- “Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as 398 Hanover Street, Map 0289, Lot 0015.”
- “Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as Michigan Avenue, Map 0246, Lot 0001.”
- ought to pass.
- P.** Recommending that Ordinance:
- “Amending the Zoning Ordinance of the city of Manchester by amending the School “Impact Fee Schedule” referenced in section 13.04 of the ordinance. Two optional fee schedules will be reviewed including Option A – Fees based upon improvements to K-8, and Option B – Fees based upon improvement to K-12 based upon methodologies presented by the Planning Board. Fees would be assessed to each newly constructed dwelling unit.”

ought to pass as amended to:

“Amending the Zoning Ordinance of the City of Manchester by amending Article 13, Section 13.04, Computation of impact fee.”

Such ordinance reflecting Option A fees.

- Q.** Recommending that \$10,000 be transferred from Contingency to the FY04 CIP 412004 Speed Enforcement Program to provide 70 four-hour police patrols to enforce the current noise ordinance. The Committee notes that for such purpose an amending resolution, budget authorization and resolution to transfer the funds have been submitted.

The Committee further notes that it has tabled a proposed noise ordinance pending further review by staff.

COMMITTEE ON COMMUNITY IMPROVEMENT

- R.** Recommending that the Board authorize acceptance and expenditure of funds in the amount of \$25,000 (Other) for FY2003 CIP 713303 South Willow Street Area Improvements, and for such purpose a resolution and budget authorization has been submitted.
- T.** Advising that they have authorized the Highway Department to proceed with the construction of two impound lots – one at Derryfield Park (reduced scope) and one at the West Side Arena (plans enclosed herein) at a cost not to exceed \$200,000.

COMMITTEE ON TRAFFIC/PUBLIC SAFETY

- U.** Recommending that regulations governing standing, stopping, parking and operation of vehicles be adopted and put into effect when duly advertised and posted.
- V.** Advising that a request from Peter Lauzon of The Manchester Church of Christ to use the Pine Street parking lot at the Federal Building on October 2, 2004 from 7 AM until 5 PM for their annual “Give-Away-Day” has been granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk Departments.

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN O’NEILY, DULY SECONDED BY ALDERMAN SHEA, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

Report of the Committee on Community Improvement:

- S.** Advising that they have authorized the Highway Department to proceed with the design phase of the “Hands Across the Merrimack” pedestrian bridge at a cost of up to \$150,000.

Alderman Gatsas asked can somebody give us some background, is this the total cost of the...it is my understanding that when this first came up the last time when we had this conversation that Alderman O’Neil said that we would be waiting until the funds were raised by the private sector before we started any design phase, is this the total cost of the entire design or is this a portion

Mr. MacKenzie, Director of Planning, stated I know that Mr. Thomas is here and presented at the CIP Committee on this...would probably have more answers than I would.

Mr. Thomas, Public Works Director, stated what was presented and approved at the CIP Committee was a request to perform the final design work. The final design work is estimated at \$123,000...would be performed by the firm of CLD, we asked for up to \$150,000 to give us a little cushion in case there may need to be some additional work. But, that will give us the final design. The further action, I believe, the CIP Committee took was that no construction would take place until the CIP Committee and the full Board of Mayor and Aldermen approved that, so we are just moving ahead with the final design work at this time.

Alderman Gatsas asked, Frank, did we develop a new procurement code that doesn't allow a bid process on project like this?

Mr. Thomas replied no we did not.

Alderman Gatsas asked why?

Mr. Thomas replied we haven't developed a new procurement process.

Alderman Gatsas asked did this go through a bid process?

Mr. Thomas replied CLD was engaged to perform the preliminary design...what we're doing is rolling that preliminary procurement into the final design.

Alderman Gatsas asked I think you asked for a new procurement code last October.

Mayor Baines interjected where are we with that, Mr. Thomas?

Mr. Thomas replied I think it's being reviewed by the City Solicitor's Office. We made some comments and we sent it back to the Solicitor's Office.

Mayor Baines asked could be expedite that out of the City Solicitor's Office, Mr. Arnold?

Deputy City Solicitor Arnold stated I have not been involved in review and I can only assume that Mr. Clark is, I hate to speak for him...we'll certainly do our best.

Alderman O'Neil moved to accept, receive and adopt the report of the Committee on Community Improvement. Alderman DeVries duly seconded the motion. The motion carried with Aldermen Gatsas and Shea duly recorded in opposition.

There were no nominations presented by Mayor Baines.

7. A report of the Committee on Community Improvement was presented recommending that the Board authorize additional bond funding in the amount of \$450,000 for the FY2003 CIP 511403 Derryfield Golf Course Club House Construction project, authorize expenditure of such funds and reaffirm authorization for the Mayor to execute related documents as may be required amended so as to appropriate a total of \$2,750,000 for such project.

The Committee further recommended that the 2003 CIP be amended to reflect all funding for this project from Table 5, projects financed through enterprises and fees.

The Committee notes that such funding changes do not increase the City's initial contribution to the project; with debt service for the additional funding being paid by the Lessee with final action of the Board to be concluded subject to letters of credit totaling \$400,000 to be placed on file.

To accommodate such transactions resolutions have been submitted to the Board with the recommendation that same be referred to the Committee on Finance for further action. The budget authorization shall be presented to the Board upon final adoption of the related resolutions.

Alderman O'Neil moved to accept the report for discussion. Alderman Roy duly seconded the motion.

Alderman Gatsas asked is there somebody from staff that is going to explain this to us?

Deputy Clerk Johnson replied Mr. Sherman perhaps.

Alderman O'Neil stated Mr. Sherman made the presentation, your Honor, to the CIP Committee.

Mr. Sherman, Deputy Finance Officer, asked do you want to do this now or do you want to do this in Finance?

Mayor Baines replied let us do it now.

Mr. Sherman stated what we have is we're bringing forward five (5) changes to the Management Agreement that we currently have in place. Just a little history...the way the agreement currently is drafted is that there is \$2.2 million available through city financing...

Alderman Gatsas interjected do we have a document.

Mr. Sherman replied I can hand out the same power point that we had.

Alderman Gatsas stated as long as we have something because I don't have anything.

Mr. Sherman stated there is \$2.2 million available to take the project from initial drawings straight through to construction, so-called "vanilla box" construction and demolish the current facility. What they have done after a couple of renditions of the architectural renditions of this and now actually having gone out to bid it turns out that what we really are looking for is \$2.65 million versus the \$2.2. There are a number of items that have caused that price to escalate...lumber and steel being one, the fact that we did have to do the architectural, mechanical and electrical drawings several times...they found some unsuitable materials and I think there was one other and that there is asbestos in the old building that there had to be a contingency put in the project for. By increasing the number from \$2.2 million to \$2.65 million the developer in this case or the manager of the restaurant has stepped forward and said that if the city provides this additional funding he will pay the cost of that 100%. There is a page in the document, I think it's probably five pages from the end that has the financing proposal that lays out the comparison between the old document and the current document and what is being proposed. In essence, again, the city currently has offered \$2.2 in the current document and we are looking to change that amount to \$2.65 million. An additional item that we added that was not in the original agreement is a Letter of Credit. What we don't want to have happen is the city put out the \$2.65 million and not have any security that the project is going to actually get done because over and above the \$2.65 million the manager still has an additional \$400,000 that they need to add into the project to finish out the project; that would include mainly the fit up of the kitchen, the freezers, the bar area...I think it included the partitions in the banquet room and the like. So, what we've asked is that they put up a \$400,000 Letter of Credit so that if something should happen along the way the city has the assurance that the project can be completed and be a full fit up restaurant to pass onto another party. The third and fourth item on that page where it says "Manager's Share and Amortization Period"...I'll take together. Under the initial proposal we had amortized the \$2.2 million over a 20-year period to come up with the monthly rent; that in essence put the manager's share of the debt service at 69%. In order for them to be able to afford the additional \$450,000 or at least make it easier to make that additional payment they've asked that the amortization period be 25 years rather than 20 years. We're okay with that because it's an actual 25-year lease. What that in essence does is it takes the manager's share of the debt service from 69% up to 74.25%. Under the original proposal...the current deal that the city is operating under the city's share of the debt service would have been \$1.1 million. Under the new revised proposal that's being brought forward tonight even though we're adding \$450,000 for the debt service the city's share of that debt service is still \$1.1 million. So, the city's share does not change. And then the fifth item that we're looking to change here is under the current proposal or the current deal that the city has we have in addition to the payment for the debt service from the manager there is also a revenue sharing provision. Under the current provision there was a phase-in period on that revenue sharing. Under the new proposal we are eliminating the phase-in and we are going right to the higher sharing amounts. But, that's pretty much it. There's five items that

are going to be changed...even though we're adding \$450,000 to it there is no impact on the City's General Fund, it's all Enterprise Fund and we feel that we have additional security for the city in the form of that \$400,000 Letter of Credit.

Alderman Gatsas in reference to the \$400,000 Letter of Credit asked does that evaporate once the project is completed and they are installing the equipment within the premises, is that what you're telling me.

Mr. Sherman replied yes that's there to really serve two purposes. Under the agreement, if it goes over the amount that's allotted...so, currently the \$2.2 million but we're looking to change that to the \$2.65 million...if it goes over that amount for some unforeseen reason you would be able to draw on that Letter of Credit and if something should happen to the manager along the way and they disappear from the project we'll have that \$400,000 to finish the fit up on the building. Once the building is fit up that Letter of Credit would go away.

Alderman Gatsas asked, Randy, can you explain to me then...let's assume the project goes to \$2.9 million, some of that \$400,000 or let's say \$2.95 which is a \$300,000 add...there's no way that you're going to equip that place for \$100,000.

Mr. Sherman asked does the \$2.95 include all of the kitchen equipment or is that just the...

Alderman Gatsas interjected the construction costs.

Mr. Sherman stated if we're required to drawdown \$300,000 for the construction costs they would have \$100,000 to finish up the kitchen, the bar area and the banquet room and the lighting and they would have to come up with the balance.

Alderman Gatsas stated so we are not really talking about a project that's \$2.65, we're really talking about a project that's \$3 million which they are injecting \$400,000 in cash.

Mr. Sherman replied \$400,000 correct, but we have the first draw on that \$400,000 to finish the "vanilla box".

Alderman Gatsas stated I understand that...I guess I don't want to get into the same problem that we had a year ago with somebody designing it and designing a \$3.3 million project when there was only \$2.2 funded towards it.

Mr. Sherman stated maybe I failed to say they actually have gone out to bid at this point, they actually have biddable documents, they've got a number of bids under the current procurement, they have the ability to negotiate with the top two or the lowest two but I

believe that that is currently in process. But, we actually have some better numbers, but again as you know there is obviously unforeseen...

Alderman Gatsas stated from the old proposal that was here for \$2.2 million there was no cash injection by the tenants.

Mr. Sherman stated yes, there was. At that point, they estimated that there was probably going to be in the \$300,000 to \$350,000. They were putting in the extra money to do all that fit up in the kitchen and the restaurant and the banquet room.

Alderman Osborne stated dollar wise with the lease payments now at \$2.2 and at \$2.65 what do you figure different.

Mr. Sherman stated the lease payments roughly about \$10,000 a month under the current proposal and under the new proposal it would go maybe closer to \$13,000.

Alderman Guinta asked, Randy, who designed the new proposal was it the same design company as the old proposal.

Mr. Sherman replied yes.

Alderman Guinta stated before they were putting in \$300-350,000 and now they're putting in they're putting in \$400,000...there's only an increase of about \$50-100,000 of the manager's share.

Mr. Sherman stated in the additional items that they're adding to quote the "vanilla box" yes.

Alderman Guinta asked can you just go over the phase-in, the phase-in (revenue sharing) was eliminated. It says over a two-year period...01.5 and that's still a phase-in.

Mr. Sherman stated you've got that two pages down from the financing proposal where it has the percentage gross, right. Initially, under the current agreement it started at 0% for the first million, 1% for the next \$600,000, and then everything over \$1.6 million was 1.5%; that is how it initially started.

Alderman Guinta stated so those numbers have been increased.

Mr. Sherman replied they may have been increased 25 basis points and then increased another 25 until we got to the 01.5 and 2.

Alderman Guinta stated but it's still a phase-in.

Mr. Sherman replied it's phased-in on the revenues that are generated but not the actual percentages.

Alderman Guinta asked what did they gross last year?

Mr. Sherman replied I don't have the 2004 numbers. In 2003...

Alderman O'Neil interjected I know that Mr. Ludwig handed out to the CIP Committee in between meetings the breakout through 2002 and I believe there's enough copies for the entire Board if that would be helpful.

Mr. Sherman stated while those are being handed out keep in mind that we're talking two different facilities. The facility that generated the revenues that Ron is going to show you is not the same facility that's going to be there after the construction is completed.

Alderman Guinta stated you're assuming that membership is going to increase and usage is going to increase, sales are going to increase because of the expansion.

Mr. Sherman replied mainly from the banquet facility which they have very limited ability to handle at this point.

Alderman Guinta asked what would be the difference if this was a 20-year amortization as opposed to a 25-year...what would be the savings? How much more are we paying? I know you said that the city...it's the same, 1.1 for the city either way, but if we amortize over 20 years I would assume the city side would be reduced. So, I would like to know what that difference would be.

Mr. Sherman stated in total debt service.

Alderman Guinta replied yes.

Mr. Sherman replied probably around \$350,000...additional.

Alderman Guinta stated the numbers that were just handed out to us it looks like total sales have never...at one point hit \$6 million, am I reading that right.

Mr. Sherman stated I don't have a copy in front of me but that is my understanding is that they have never gotten that high.

Alderman Guinta stated so there is an expectation that we're going to hit \$1.6 and beyond.

Mr. Sherman stated we had initially thought that the project would be opening in '04-05. We had asked the Mayor that we would actually hit the \$2 million mark in the first year.

Alderman DeVries asked, Randy, can you tell me have you worked out an itemization of the schedules that will be included in the kitchen fit up, etc. will that become part of an exhibit attached to the management agreement.

Mr. Sherman replied I have not, I wasn't part of the bid process. I'm not sure if Ron and Frank...if there is a list or not.

Alderman DeVries stated maybe while they're coming up to address that, if I remember this management agreement because the kitchen set up in all of those articles will be the ownership of the restaurant, not the ownership of the city. So, I'm assuming that if they are talking \$400,000 that is being held to assure completion that there must be a detailed list of what you are afraid is going to be left out to complete the facility to some degree.

Mr. Ron Ludwig, Parks, Recreation & Cemetery Director, stated the kitchen design is a part of the project and the present restaurant owner has been working with the kitchen designer to outfit the kitchen but in terms of where their shortfalls may be that really hasn't been something that the city has been dealing with. He's fitting the kitchen basically himself.

Alderman DeVries stated that is what I think my impression was from reading the agreement a year ago that the ownership of that property would remain with the restaurant leasing. So, I just don't understand the concept of the \$400,000 held in escrow because certainly the way the agreement stood a year ago he was outfitting the kitchen with his own money and if he had walked on the arrangement at that point we would have been in the same scenario, so I'm wondering what are we trying to accomplish with the \$400,000 today that we weren't afraid of happening a year ago when it was \$2.2 million instead of \$2.65 million.

Mr. Sherman replied what happened was when we had the \$2.2 million the original design, the bid came in somewhere between \$3.2 and \$3.7...the numbers were just off the Board and that's where they went back to the CIP Committee and got the authorization to redesign it and sort of take a step back, take a look at the building and come back in and when we got initial indications that the redesign was more in the area of the agreement that we had that was when they went out and actually took bids. So, now that they have actual...

Alderman DeVries interjected if the bids had come in at \$2.65.

Mr. Sherman stated now that they have those bids in and knowing all of the other costs that go along with it...there's demolition costs, there's the soft costs, the engineering, the architects...all of those numbers added together are actually as Alderman Gatsas

said...they're actually closer to \$3 million once you add in all of the items that they're still going to have to finance on their own which are all of the kitchen items, etc.

Alderman DeVries stated I guess I'm still chasing this because when we did this project at \$2.2 million that was the same assumption. Why did we not have a Letter of Credit for the kitchen fit up a year ago with the prior lease agreement that we entered into.

Mr. Sherman replied in all honesty it was out the door before the baseball deal came and the Letters of Credit really started cropping into the deals that's always done before the other one.

Alderman DeVries stated that was an oversight and we picked it up...

Mr. Sherman stated again it's when the numbers were lower...

Alderman DeVries stated I think it's Exhibit A, no...the revenue sharing...isn't there a minimum amount...if I can find it in the original agreement...the phased-in...the minimal share of revenue was at...is going to remain fixed for ten years.

Mr. Sherman stated right that is the amount equal to the debt service, it's the minimal.

Alderman DeVries asked is that being adjusted in any way?

Mr. Sherman replied it's going from 69% of the debt service up to 74.25%.

Alderman DeVries asked is that indexed with the Consumer Price Index, so there is not anything in that paragraph that changed?

Mr. Sherman replied with the exception of the percentage correct. And, again, we're changing it from a 20-year amortization to a 25.

Alderman DeVries asked will we be seeing an updated document before you're asking for the second vote on this?

Mr. Sherman replied hopefully when we come back for the second vote we'll have that document all done; that is one of the items we're asking permission to go forward with to make those changes...they're really not that numerous to make we should be able to do that in short order.

Alderman Roy stated, Randy, thank you for your work on this and I want to thank the restaurant management team for their work and patience with the city. My questions lead to more along the lines of the city's portion of this. Randy, in the Management Agreement the

office space on the lower level that is determined to be the future Parks and Recreation space, is there anything in the Management Letter saying what the city can or cannot do with that space?

Mr. Sherman replied if the city chose to use that space for an alternative purpose, no. It's been carved out as city-controlled space.

Alderman Roy stated, Randy, through your presentation at CIP the number of \$2.65 million was discussed but our paperwork read \$2.75...that extra hundred thousand dollars which I've seen in some documents and out of others...could you explain that.

Mr. Sherman stated the original resolution was for \$2.3 million. The manager was given \$2.2 to do his project, the extra hundred thousand was used to cover some preliminary costs that Parks and Rec had to get to that point, some engineering, some legal costs...I don't know, Ron, if you know more specifically what was in that.

Mr. Ludwig replied survey work.

Alderman Roy stated in-house city expenses to make up the hundred thousand dollars. While I do thank the gentleman looking to manage this property for showing us their past books and past revenues I do want to urge my colleagues to realize that we are talking about an apples to oranges building from what we have there. The amount of money generated there in 2002 of \$1.3 million while significant pales to compare what a full function facility and a new restaurant would do and I'd urge Randy to touch upon those facts that we shouldn't be looking backwards on this project but forward as to what expected revenue would be. Randy, could you touch on that.

Mr. Sherman stated as far as the revenue sharing.

Mayor Baines interjected the potential for the business to grow in their new facility.

Mr. Sherman stated again it's all speculation at this point. But, what we had anticipated was that in the partial year realizing that we were probably not going to be up and running for a whole year was that we'd probably would be close to the \$2 million mark in the first year and then once we actually got into a full year we'd be closer to two to three million for the revenues and then obviously growing roughly what they've estimated is about five percent (5%) a year.

Alderman Gatsas stated I guess that's the difference between somebody presenting the package from the Finance end and somebody looking to sell a package. Wouldn't it make more sense to explain this theory a little bit differently because it's very difficult for people to understand. Obviously, the original deal was \$2.2 million and the manager's share was

going to be \$1.58 roughly, is that correct? And, the other \$700,000 was going to be picked up as the city share for the additional property.

Mr. Sherman replied yes.

Alderman Gatsas stated if we go to the new project they're picking up \$1.97 of that \$2.65 million which is a 74.25% and the city is still only exposed at \$700,000. So, the deal hasn't changed they've just taken a bigger exposure position.

Mr. Sherman stated correct.

Alderman Gatsas asked so why wouldn't we explain it that way? Because unless you do the numbers I guess that's the difference between somebody selling the project and somebody trying to do the financing on it.

Alderman DeVries stated, Ron, I'm sure you will understand or remember a year ago when we discussed this I did have some objection namely where referencing around revenue sharing being dependent upon the disclaimer of income coming from the restaurant. At that point in time, we pursued it through the committees...there were a couple of audit items added in that the lease agreement now includes the ability for the city to go in and basically take a look at the days receipts at any time without prior notice as well as look at an independent audit or one done by Kevin Buckley in the Finance Department to verify those records. I guess my question would be we entered into that agreement...a year has gone by, what have we done for follow-up on audits in the interim?

Mr. Ludwig stated as it relates to the agreement we have in place now.

Alderman DeVries replied yes in the last year since we've had this discussion what has Parks and Rec done as far as audit?

Mr. Ludwig stated our current agreement calls for a standard unaudited agreement, unaudited agreements are not in-house audited they come from Mr. Lanoie's accountant; that's what we get each year which is basically what we based the five-year...

Alderman DeVries stated so we entered into this lease agreement but it was not exercised because the building was not ready. So, the agreement that was before us a year ago is not currently what we're operating under, it's still the original, so the new and old as presented in tonight's handout references a proposal not adopted. So, you still operate under what is just presented from his CPA.

Mr. Ludwig replied yes.

Alderman DeVries stated I guess that is the difficulty I had with this a year ago is the difficulty I have with this agreement today, not a reflection on the potential of that project everybody wants to see the improvements on that building, I think it's more my editorial comment that I recognize your staff is already, your administrative staff is already overworked trying to keep up with the books, if you would say, between Cemetery and Parks and Rec and I just felt that the expectations that we're going to be placed on your department were above and beyond what we could rely on and unless the Committee on Accounts here asks Kevin Buckley to do that yearly independent audit I don't think it would be done because it says we can call for it but there is no process biting into this agreement that it will clearly be done once-a-year that the city's auditor at limited costs to the taxpayers would at least reflect on the books and give your staff some assistance in auditing the process. I would feel more comfortable if I knew it didn't have to be because this committee or the Committee on Accounts felt there was something wrong up there that they wanted to call for that audit. If it was done more frequently and written right into the agreement, I would have felt more comfortable with it a year ago and I feel more comfortable with it today. I'm not as concerned about what the past revenues have been or the potential for new revenue, it's how we track those revenues and if we are, in fact, having everything reported the way we think it should be reported.

Mayor Baines called for a vote on the motion to accept the report of the Committee on Community Improvement. The motion carried with Aldermen Guinta and DeVries being duly recorded in opposition.

On motion of Alderman Roy, duly seconded by Alderman DeVries, it was voted to recess the regular meeting to allow the Committee on Finance to meet.

Mayor Baines called the meeting back to order.

OTHER BUSINESS

- 10.** A report of the Committee on Finance was presented recommending that Resolutions:

“Amending the FY2003 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Five Thousand Dollars (\$25,000) for FY2003 CIP 713303 – South Willow Street Area Improvements.”

“Amending the FY2004 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars (\$10,000) for FY2004 CIP 412004 Speed Enforcement Program.”

“Authorizing the Finance Officer to effect a transfer of Ten Thousand Dollars (\$10,000.00) from Contingency to FY04 CIP Project 412004 – Speed Enforcement Program.”

“Authorizing the Finance Officer to effect a transfer of Five Thousand Two Hundred Dollars (\$5,200.00) from Contingency to City Clerk Special Projects.”

“Amending the FY2003 Community Improvement Program, authorizing and appropriating funds in the total amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) for the FY2003 CIP 511403 Derryfield Golf Course Club House Construction Project.”

ought to pass and be enrolled and, further, that Bond Resolution:

“Authorizing the Issuance of additional Bonds and Notes for Demolishing the existing Derryfield Golf Course Club House and Constructing, Originally Equipping and Furnishing a New Derryfield Golf Course Club House in the amount of \$450,000. Reaffirming the authorization of the Execution of a Management Agreement between the City and BLL Restaurant, Inc. for the Operation of the New Derryfield Golf Course Club House and Authorizing the Mayor and any other designee Thereof to take any and all Other Actions to Accomplish the Purposes of this Resolution so as to increase the entire Bond funding to \$2,750,000.”

ought to pass and layover.

Alderman O’Neil moved to accept, received and adopt the report of the Committee on Finance as presented. Alderman Shea duly seconded the motion. The motion carried with Aldermen Guinta and DeVries duly recorded in opposition to the two Resolutions regarding the New Derryfield Gold Course Club House Construction project.

Alderman O’Neil commended staff for figuring out that we actually had this project in the wrong Table in CIP.

- 11.** A report of the Committee on Traffic/Public Safety was presented recommending that a request from Intown Manchester to allow free parking downtown on Wednesday, September 8, 2004 from 5 PM until 8 PM for their Taste of Downtown event be approved.

Alderman Roy moved to accept, receive and adopt a report of the Committee on Traffic/Public Safety. Alderman Forest duly seconded the motion.

Alderman O’Neil stated I’m a little bit concerned about this request. I voted against this because I’m afraid once we start approving one they’re all going to start coming in and this Board has not supported in the past lowering the meter collection time from 8 PM down to 5 PM.

Mayor Baines stated the only thing we have is on high school graduations we have authorized things like this in the past where there has been some special event.

Alderman O'Neil stated I'm just afraid and Alderman Gatsas is correcting me and he's probably right on something, is it six o'clock...Alderman Guinta is shaking his head...it's from five to six then, is that correct. That's what I'm asking.

Deputy City Clerk Johnson stated the request was from five to eight and that is what the committee was polled on.

Mayor Baines stated the enforcement now is until seven right.

Deputy City Clerk Johnson replied till 8 PM in downtown.

Alderman O'Neil stated I just think that graduations were very specific requests, but now if we approve this we are going to start getting requests every week, so I would encourage my colleagues to vote against it.

Alderman Osborne stated can I ask Tom Lolicata what this involves in money, those three hours.

Mr. Thomas Lolicata, Director of Traffic, replied we're talking about 2,500 meters, so we're talking a few dollars and would have to have labels put on each and every one of them if you do drop it...

Mayor Baines interjected no, no just for this one event three hours.

Mr. Lolicata replied I'd take a guess of about 300 to 400 meters you'd be talking about \$1,200 to \$1,500.

Alderman Roy stated while I am in thorough support of this I have to disagree with my colleague Alderman O'Neil. If we could have events like this every week of the year we would be doing a service not only for our downtown community but all of our taxpayers. Personally, I favored rolling back the parking meters so that we could increase the business downtown and, therefore, increase the tax base and I think this event...very well orchestrated by Intown Manchester deserves all of the support that it can get from this Board and our city staff.

Mayor Baines stated let's not beat the horse we've got other business to do tonight and we all have to weigh in on our opinions.

Alderman Shea stated I know that the Traffic Department predicates their revenues on certain funds, so when we are strapped for a budget obviously because of different extenuating circumstances I tend to disagree with Alderman Roy and agree with Alderman At-Large O'Neil because I think the more revenues we're able to garner the better off we

are. In an ideal world it would be wonderful to have free parking, but we don't have that luxury in the city and we've already cut back hours in order to satisfy merchants, so I say that if we do it for one we do it for everyone and I don't think it's a good policy to start drifting around.

Alderman DeVries stated I would have to venture a guess that we probably will not lose that much in our meter revenue for one night mostly because there are other than tonight's meeting those who are sitting home watching us and maybe those who will catch a quick blurb in tomorrow's paper there's been no publicity that parking is going to be free downtown tomorrow night. Some of the people will most likely put their coinage into the meters for the evening and the revenues will not be lost. What will happen though is they will not leave Manchester with a bad taste from having received a ticket for an event that is trying to increase the visibility of the downtown restaurants for an evening. It's a one-night event and I would ask my colleagues to support this for this one night event and ask Traffic to track the revenue loss and see how significant it actually is.

Mayor Baines stated my understanding is that 400 tickets sold for this event, that was the maximum number of tickets, right...450...so, we're not talking about thousands of people and that's probably half the cars of that number, so it would probably be a little over 200 cars coming downtown.

Alderman O'Neil stated I have one final comment and then I'll move the question. I respectfully have to disagree with my colleague from Ward 1...if we had events every night...we do have events every night...downtown is vibrant whether it's events at The Palace, the Verizon, at the Radisson, in the parks, so I think all we're doing is setting ourselves up that we're going to start getting these requests regularly and that's my problem.

Mayor Baines called for a vote on the motion to accept the report of the Committee on Traffic/Public Safety.

Alderman Gatsas stated the people that say we don't do this, we do this for the CIGNA Road Race and I can tell you that that encompasses more parts of the city than this street and I can tell you that in Concord they close Main Street for a whole week to have this.

Alderman Shea requested a roll call vote. Aldermen Shea, Garrity, Smith, Osborne and O'Neil voted nay. Aldermen DeVries, Thibault, Forest, Roy, Gatsas, Guinta and Sysyn voted yea. Aldermen Porter and Lopez were absent, the motion carried.

12. Ordinances:

“Amending Chapter 32. Boards, Commissions, and Departments of the Code of Ordinances of the City of Manchester by renaming the Art Commission to the Arts Commission.”

“Amending Sections 33.024, 33.025 and 33.026 (Economic Development Director) of the Code of Ordinances of the City of Manchester.”

“Amending Section 33.025 (Assistant to the Assessor) of the Code of Ordinances of the City of Manchester.”

“Amending Chapter 38: Code Enforcement of the Code of Ordinances of the City of Manchester by inserting new penalties in Section 38.06(A): Citation Penalties for various violations of Chapter 94: Noise Regulations.”

“Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as 398 Hanover Street, Map 0289, Lot 0015.”

“Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as Michigan Avenue, Map 0246, Lot 0001.”

“Amending the Zoning Ordinance of the City of Manchester by amending Article 13, Section 13.04, computation of impact fee.”

Alderman Forest moved to dispense with the reading of the Ordinances by titles only.

Alderman O’Neil duly seconded the motion. There being none opposed, the motion carried.

These Ordinances having had their second reading and presentation by titles only, Alderman Osborne moved that the Ordinances pass and be enrolled. Alderman Thibault duly seconded the motion. The motion carried with Alderman Roy duly recorded in opposition to the Zoning Ordinance.

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted to recess the regular meeting to allow the Committee on Accounts, Enrollment and Revenue Administration to meet.

Mayor Baines called the meeting back to order.

- 15.** A report of the Committee on Accounts, Enrollment and Revenue Administration was presented advising that Ordinances:

“Amending Chapter 32. Boards, Commissions, and Departments of the Code of Ordinances of the City of Manchester by renaming the Art Commission to the Arts Commission.”

“Amending Sections 33.024, 33.025 and 33.026 (Economic Development Director) of the Code of Ordinances of the City of Manchester.”

“Amending Section 33.025 (Assistant to the Assessor) of the Code of Ordinances of the City of Manchester.”

“Amending Chapter 38: Code Enforcement of the Code of Ordinances of the City of Manchester by inserting new penalties in Section 38.06(A): Citation Penalties for various violations of Chapter 94: Noise Regulations.”

“Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as 398 Hanover Street, Map 0289, Lot 0015.”

“Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as Michigan Avenue, Map 0246, Lot 0001.”

“Amending the Zoning Ordinance of the City of Manchester by amending Article 13, Section 13.04, Computation of impact fee.”

were properly enrolled.

Alderman Thibault moved to accept, receive and adopt a report of the Committee on Accounts, Enrollment and Revenue Administration. Alderman Shea duly seconded the motion.

Alderman Gatsas stated looking at a fee of a single-family detached dwelling being \$2,733; that’s a serious amount of money. If you took it and said that the average homeowner lived in a house and I believe unless it’s changing I’m sure my colleague from Ward 1 can help me, but I think the average is six years and if we say that that’s six years that’s a \$455 tax implication in additional costs, not that it’s a tax but it’s an additional cost to that homeowner and for it not to be differentiated between the \$500,000 home and the \$150,000 home is wrong. It doesn’t make any sense, your Honor, that there is some differentiation. The penalty at a \$500,000 house is...I don’t even know what that percentage is...2.5% and the other way on a \$180,000 house or a \$150,000 house it’s almost 30%, it just doesn’t make sense that a single-family detached dwelling has the same impact fee no matter what the cost is, it doesn’t make sense to me because certainly the more expensive home has the ability of possibly having four and five bedrooms that would certainly have a bigger impact fee for children than possibly a smaller home that’s a cape that’s unfinished upstairs that may be a starter home for single parents, so I think that there is a definite inconsistency in the cost and going to manufactured housing and that’s double the cost of a townhouse or triple the cost of a townhouse.

Mr. MacKenzie stated there were several people from the Association of Homebuilders that expressed concern about increasing the impact fees.

Mayor Baines asked when was that public input, I think that was the question, what was the forum?

Mr. MacKenzie replied that was approximately a month and a half, two months ago.

Alderman Gatsas asked did they present the committee with any other numbers, any other suggestions of impact fees?

Mayor Baines asked before the Planning Board?

Mr. MacKenzie replied no this was a hearing before the Board of Mayor and Aldermen, Bills on Second Reading.

Alderman Gatsas asked were there any suggestions that they brought forward for impact fees.

Mr. MacKenzie replied no. As I recollect they just expressed concern about increasing the fees, they did not have any alternatives per se.

Deputy City Clerk Johnson stated for the record the public hearing was held June 21st.

Alderman Guinta stated there were a number of people who did speak at a public hearing at seven o'clock before a Board meeting who opposed, I think...the expectation was zero increase, I think that's their position. I just wanted to clarify that. With that being said to me this is a very simple issue. I don't know that we want to put up more road barriers to people who would like to be first-time homeowners. I think that we should essentially keep the fees at the current levels, I just don't see the reason to increase them.

Alderman Roy stated I'm very glad to hear the comments from Aldermen Gatsas and Guinta and I couldn't agree with you more. The more barriers you put up for first-time homebuyers the harder it is to not only rejuvenate your city but increase the property values as a total. These numbers get directly tacked onto the price of a new construction home and while I do agree wholeheartedly with Alderman Gatsas that \$2,733 is a lot of money when we look at this from the city side of that equation if you translate that into 100 homes the numbers don't add up to a new school. So, these are very small penance to be paid by builders that don't add up to the cost of a new school or a new renovation or some change to a school that's needed. So, I find that though it does not give the taxpayers much relief in a school cost it is a very direct burden to that first-time homebuyer, condo or multi-family buyer. So, I'd urge my colleagues to vote against the change in fee schedule.

Alderman Shea stated I believe this particular item came as a result of the school officials wanting to have impact fees and obviously it was brought out by the people who are either construction people or real estate people that argued against this simply because they reasoned that it would be an expense passed on to the people buying the homes. However, because of the problems that we're encountering with school construction and also with class sizes and portables that are not at Hallsville School and Beech Street School and other places I believe that it's a reasonable amount of money for people...if people are in a position to buy a home and as Alderman Gatsas indicated living there six years they're certainly going to sell the home for more than what they paid for it. At least that's my understanding

because homes are selling pretty rapidly here in the city here for more money than what people paid. Obviously, we don't want to burden people but at the same time we have to be fair too to the people that are living in this city and have to support schools and other facilities. So, I'm in favor of this.

Mayor Baines asked, Mr. MacKenzie, can you address how this comparability in terms of these impact fees and other communities surrounding us, for example.

Mr. MacKenzie stated all of the communities around Manchester do have impact fees, most are higher, some are much higher...I know that Nashua is \$4,600, Bow is over \$10,000 per new single-family home...again, in the northern part of the state where there's less demand from growth most of the communities in the northern half do not have impact fees. I would note in terms of housing costs that we did take a look because the impact fee was last adopted in 1995 and for a single-family home it was about \$1,600. We did a comparison of what the percentage of that fee was in 1995 as a percent of a total cost of the home and we found that the numbers as proposed right here the percentage doesn't change from 1995, it was less than 2% of the housing back in 1995 and would be less than 2% of the average home price in 2004. So, the numbers have not been increased in 9 years and the School Board did request the Planning Board to look at increasing those.

Alderman DeVries stated a comment maybe for Mr. MacKenzie because certainly the methodology that the consultant used to determine these impact fees was not randomly chosen and comes more from the past legal challenges that developers put impact fees through the courts and I just thought maybe you could briefly tell us because I think Alderman Guinta seemed to be saying or Alderman Gatsas that higher priced homes could be disproportionately more expensive if I interpreted him correctly and I don't think the methodology allows for that maybe you could expound on that.

Mr. MacKenzie replied sure. We actually went through a process working with the consultant to identify where all of the current public school kids lived and that's how we determined the ratios...I know that Alderman Gatsas noted to me that townhouses looked much smaller than single-family, but that's based on the actual number of school kids in the actual types of units in the City of Manchester. So, there is a methodology that is followed generally stated wide, we did follow that. We generally tended to be fairly conservative in all of the assumptions to make sure that we are not trying to overprice the impact fee ordinance. I know there was some discussion about potentially using the higher fee but I think that on balance this was a reasonable compromise this particular option.

Alderman Guinta stated, Bob, one of the things that I'm concerned with is when you compare Manchester with the surrounding towns I don't know that that's an equitable comparison. The home price in Bow of an average home and the average home price in Manchester are two completely different numbers. So, to simply say that we are below

surrounding towns, below their impact fee rates doesn't give a fair assessment. The average home in Auburn and Bow, Candia and Bedford...they're closer in some of those towns to double what they are in Manchester. And, let's also remember the conversation that we've had over the last 18 months about affordable housing in this city. If the goal here is to allow people to get into home ownership quicker this is clearly a barrier, there's no question about it, it's an extra fee per family who wants to own a home. I think it's that simple. You mention that the School Board is the one that wants to see this increase, well, let them come to the Board and ask for other increases rather than in the tax rate that's what this Board is here for. Not to find hidden ways to increase revenues.

Mayor Baines asked do you want to respond to any of that, Mr. MacKenzie?

Mr. MacKenzie replied not really. Again, if you look at cities and Nashua is very comparable in terms of house sales, etc. their impact fees are about twice what Manchester is proposing here. I think it's also important to recognize one way or the other that people are going to pay for the additional capacity needed. This particular system as adopted in New Hampshire tries to segregate those costs to the new development that is creating the new demand. So, in essence, if this impact fee were not charged then all existing property owners who may not have kids or have been here for 80 years then those property taxes would be slightly higher. So, this system of impact fees was designed to try to assign the cost of new development to the cost of the new added schools, it would try to be an equitable system of assigning costs.

Alderman Guinta stated I understand that it's a system that is trying to be equitable, however, two things: I don't think it's equitable to the family that has a median income under \$50,000/\$51,000 now is the median home income...if anybody under that level is disproportionately assessed and secondly, we talking about comparability I don't want to be comparable to the surrounding towns, I want to be better, it's very simple. But, let's show an advantage rather than comparability.

Mayor Baines stated I don't think that Mr. MacKenzie said that. He also said it tries to be fair in terms of the additional impact so it's read more equitably over new development.

Alderman Guinta interjected but it's not based on income or value to home; that would be a much more equitable way if you want to talk about equity.

Alderman Forest stated I just wanted to ask a question and maybe make a couple of motions. One of the motions I want to make is to separate this from the other ordinances and vote on the other ordinances separately, can we do that.

Deputy City Clerk Johnson stated there is a motion on the floor to accept the report in its entirety and certainly if they want to rescind and make a separate motion.

Mayor Baines stated I would recommend that. Who made the motion?

Deputy City Clerk Johnson replied I have it as having been made by Alderman Smith, by Alderman Shea.

Mayor Baines asked would you allow them to be separated or keep it the way it is?
Okay, we will keep it the way it is and people will be recorded in opposition as we've done in the past. So, let's continue the discussion.

Deputy City Clerk Johnson stated I would note that this report is to state that it is properly enrolled, it is not a matter of whether or not someone agrees or disagrees with what the ordinances contain but rather a matter of whether or not they have followed the proper procedures.

Mayor Baines asked any other comments before we call for a vote.

Alderman Gatsas stated I think it's important to understand that we just finished in excess of \$100 million renovations to schools and I believe that it was either two years ago or maybe three years ago that we changed the minimum lot size from 10,000 square feet to 12,500 square feet. So, each year we're whittling away and putting some sort of conditional movements into building homes in the City of Manchester...we've gone to 12,500 square feet am I right, Mr. MacKenzie or am I incorrect?

Mr. MacKenzie replied there are areas of the city that basically the zoning was changed to increase the required minimal lot size, yes.

Alderman Gatsas stated so we've done that and now we're impacting the impact fee so we're adding value to that lot all the time and I think it discourages homeownership, your Honor.

Mayor Baines called for a vote on the motion to accept a report of the Committee on Account, Enrollment and Revenue Administration.

Alderman Roy stated Rule 9 of our rules states that "when a motion is under debate no motion shall be received but and it gives "a through g" "e" being to amend. Is it possible at this time, in clarification of Alderman Forest's request to amend the original motion to separate out the final clause of impact fees?

Deputy City Clerk Johnson replied if the Chair so desires he could take a motion to amend.

Mayor Baines stated the Board has a strong record of people being recorded on separate items and we can do the same here and called for a vote on the motion.

Alderman Guinta requested a roll call vote. A point of order, am I clarifying my vote yes and then no on the last?

Mayor Baines stated we will have a vote at the end and the motion is on all of these together, you can vote yes or no.

Deputy City Clerk Johnson stated the Chair is the presiding officer.

Aldermen Guinta, Garrity, Forest, Roy and Gatsas voted nay. Aldermen Sysyn, Osborne, O'Neil, Shea, DeVries, Smith and Thibault voted yea. Aldermen Porter and Lopez were absent. The motion carried.

16. Discussion relative to the proposed placement of a Federal Bureau of Prisons halfway house in the City.

Mayor Baines requested Chief Jaskolka to approach the microphone. I did send a letter to federal officials and I continue to urge the Board to engage in a dialogue, I think it belongs with the Committee on Traffic/Public Safety and have now have responded to this official request.

Chief Jaskolka stated since our last meeting I've had a conversation with Mr. Ron Hayes who is the Assistant and Administrator of the Community Corrections Federal Bureau of Prisons out of Washington, DC. Essentially, what we discussed is the fact that all of you know that there are two companies that are bidding on the halfway house Community Resource for Justice at the 1490-1492 Elm Street address and Community Solutions at the 335 Somerville Street address. He went on to say that both proposals are currently under review by the Board of Prisons and once a review has been completed they'll come down and do an on-sight inspection of both facilities. The next step would be to set up a panel which consists of a representative from the DC office, the Boston office and a subject matter expert out of DC. With that they would look at the letters of support and also letters proposed for the halfway house taking into consideration the content of the letters and the concern of what people are saying who wrote them. In other words, they're looking at the fact that half of the letters that they get are actually a form letter signed by different people. These are actually concerns by people who are sending in the letters. And, finally, they would look at the significance of the program to the area, what the federal needs are in the area and, in fact, if the community needs such a program. From that point, I also inquired as to what the requirements of the companies would be or what they would have to meet in order to be awarded the contract or he advised that the companies would have to show written signed and notarized agreements that they would actually be able to purchase the facilities or lease the facilities that they propose. They would have to be able to meet all building and zoning requirements, they would also have to obtain all of the proper permits

needed and be able to obtain a certificate of occupancy before the BOP (Bureau of Prisons) would even consider granting the awards. I also had a discussion with a Mr. Hayes in regard to setting up some type of meeting with actual representatives from the BOP and on today's date I spoke with Stewart Rowell's who is the actual Administrator of Community Corrections out of Washington, DC and he related that on September 23rd that he along with a Mr. Ed Hughes who is the Regional Administrator of Community Corrections in the New England Region and also Dave Dryer out of the Boston office will be available to come up to have a meeting here in Manchester to discuss exactly where the proposals are and to answer any questions on behalf of the Bureau of Prisons.

Alderman Shea stated I think the Chief and I had a little discussion prior to the meeting and I speak for the constituents in my ward...obviously, any meeting should include those people because I think those are the people that would be directly impacted and I think we discussed just having him possibly speak to a committee or a few people and that would not be reflective of the community's feelings in opposition to this. So, I know that any meeting that we would have should certainly be open to the public and I think that Alderman Guinta and I did discuss briefly the ideal place and the ideal place is here because public input could be forthcoming in the community at-large could see for themselves what is transpiring so that in the event that there was a shifting of sands and it decided that there would be movement toward some other area of the city I'm sure that other Aldermen would want to be aware of that kind of a situation. So, my point and suggestion is that if and when you are in contact, Chief, with these officials you would press to them the fact that public input is certainly desirous on the part of all. I can speak as an Alderman but somebody living across the street who has two children who are legally blind who are worried about the impact of that situation on them or the guy next door whose house is 50 feet away is worrying about the devaluation of his property because of that or people down the street who are elderly that have had previous experiences with different social problems. These are the people, I think, would want to be aware of what's going on so that their particular personal involvement could be felt. So, I say, obviously I'm in favor of a public hearing. Thank you.

Alderman Gatsas stated I would like to make a motion and I think this Board has on two various occasions tried to send some strong messages to the Federal Bureau of Prisons and I guess they've fallen on deaf ears and I'd like to make a motion now that would involve our Congressional staff (Senator Gregg, Senator Sununu, Congressman Bradley and Congressman Bass) send them a copy of the letters that we, as the Aldermen, signed and sent that we ask them to intervene on behalf of the City, so that once and for all this can stop because I think it's important that we send a message that the people in Manchester don't want these here.

Alderman Shea duly seconded the motion.

Alderman Gatsas stated I would like those send out, your Honor, if we can send them out tomorrow because I know there's meeting on the twenty-third and maybe we can nip these in the bud finally to get the delegation.

Mayor Baines stated we'll get the Clerk to do that tomorrow morning. Make sure you don't send them to Washington because they won't get them for months, they have to go to the local district offices.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

Alderman Osborne stated can I ask Deputy City Solicitor Arnold what our legal rights are here even though we all oppose it, we know that, but if they have the proper zoning and everything else where do we really stand with this?

Mayor Baines stated I want him to respond but first of all they have to get a zoning variance, the Building Commissioner has already weighed in on that, they've explored the zoning rules of the city and any location in Manchester he has ruled would require a variance, is that your understanding as well, Mr. Arnold?

Deputy City Solicitor Arnold replied I believe that's correct.

Alderman Osborne stated it would have to go through the ZBA.

Mayor Baines replied yes that is what we've been told. We'll work with the Chief on that matter. I don't know if they'll agree to do that, so that would be the only thing we would have to work on, a forum for that.

Alderman Guinta stated, Chief, you've mentioned that letters of opposition and letters of support would be required. Has anybody sent a letter in support of this?

Chief Jaskolka stated I mentioned to him that I was aware of letters of opposition that had been sent out and he did call me back sometime later and actually found two letters in his file one from St. Anthony's Parish, Fr. Charles Desruisseaux and one from the Hope Tabernacle Church from Rev. George Rosado in favor of the halfway house.

Alderman Guinta stated so far there are two letters of support, eleven Aldermen opposed, I have more than 250 signature so far from the petition opposing and we are still going to meet the Federal Bureau of Prisons. Can someone just explain to me what the purpose of the meeting is?

Mayor Baines replied I'll explain it to you. I had asked them to come to Manchester...I had asked them many months ago as you know and the U.S. Attorney Tom Coluntuono came to visit me along with Tom Tarr because they wanted to have a dialogue with local officials. Now, I have had dialogue with them over the phone and in person in my office but I thought it might be an opportunity for the Chief and the in-house group we put together to flush out all of these issues so that we were having a face-to-face conversation with them. That is the only reason.

Alderman Guinta asked is it true that the Bureau of Prisons tried to put or place a federal halfway house in Nashua in the last couple of years?

Chief Jaskolka replied yes it is my understanding that they did in fact try to put one in Nashua.

Alderman Guinta asked what happened?

Chief Jaskolka replied to the best of what I've been able to get out of that is they went through the process, they were rejected by the neighborhood, essentially the City didn't want them. They continued in the process until such time as they were rejected on the zoning level.

Alderman Gatsas moved, your Honor, to postpone that meeting on the twenty-third to see what our Congressional Delegation can do with their people in Washington?

Mayor Baines replied if that's the desire of the Board we'll do that.

Alderman Shea stated I would advise the Chief if he were in correspondence to them to indicate our action at this time that we are going to our Congressional Delegation and asking for their support in this particular matter that they not come in.

Alderman Shea duly seconded the motion. There being none opposed, the motion carried.

- 17.** Communication from Leo Bernier, City Clerk, requesting the Board set polling hours for the State General Election scheduled for Tuesday, November 2, 2004, from 6:00 AM until 7:00 PM.

On motion of Alderman Thibault, duly seconded by Alderman Sysyn, it was voted to set the polling hours for the State General Election as requested.

- 18.** Communication from Leo Bernier, City Clerk, requesting that all Aldermanic committee meetings (unless of an emergency nature) be postponed until after the November 2, 2004 State General Election due to the anticipated heavy voter turnout.

On motion of Alderman Osborne moved to approve the request as submitted. Alderman Thibault duly seconded the motion.

Alderman Shea asked who discerns whether there is an emergency or not.

Mayor Baines replied the Chairmen of the committees. I think you respect the fact that the Clerk's staff is out dealing with a Presidential election and they need to focus on that because we want to make sure all of the votes in New Hampshire are count.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

- 19.** Communication from Carol Johnson, Deputy City Clerk, requesting the Board set a fee of \$5.00 for copies of intents and records of naturalization documents for the 1800's.

Mayor Baines asked can you explain that.

Deputy City Clerk Johnson replied we actually do get requests for those and we have recently put a listing out on the web site or it's about to be put out on the web site. There were a lot of naturalizations in the Manchester area from German and Irish immigrants and others and we do have a lot of people doing genealogy that are looking for those records and we feel that the \$5.00 fee would be appropriate.

On motion of Alderman Forest, duly seconded by Alderman DeVries, it was voted to set a fee of \$5.00 for documents for the 1800's as requested.

- 20.** Communication from Jane Hills, Assistant Economic Development Director, requesting authorization to seek CROP (Community Reinvestment and Opportunity) zone designation from the Department of Resources and Economic Development.

Alderman Thibault moved to authorize the Assistant Economic Development Director to seek CROP Zone Designation. Alderman Forest duly seconded the motion.

Mayor Baines requested Ms. Hills to approach the microphone and explain to the Board a little.

Ms. Hills stated the CROP Zone was legislation passed in 2003 which allowed communities to request from the Commissioner of the Department of Resources and Economic Development that areas of their community's that were having development problems either because of high poverty rate or in our case the area in which we would qualify is there are areas where we have empty buildings or buildings such as JacPac, for example, where existing businesses moved out...this would allow businesses moving into these areas and meeting other requirements set by the state to get a reduction in their State Business Tax and

would not have any effect on their payment of local taxes and we have had a request from a company that is interested in moving into Manchester out by the Airport for this designation so they can take advantage of the program. So, what I'm asking for is just your authorization for us to apply for that designation.

Alderman Shea asked, Jane, how much are we talking about here?

Ms. Hills replied in terms of a tax savings.

Alderman Shea replied yes.

Ms. Hills stated I can't give you a figure on that; that is determined by the state. It's the State Business Profits and Business Enterprise Tax that these credits are...

Alderman Shea stated so what we are doing is we're...could you explain a little bit more, I didn't really quite catch everything you said.

Ms. Hills stated I'm asking for permission to apply for the areas that are designated on the map that was included in your packet for CROP Zone status and if that is approved companies that are either making further investments or moving into these areas would be allowed, based on another set of requirements that the state has for the companies themselves as to how much of an investment they make and so forth. They would be eligible for certain credits against their state tax obligations.

Alderman Shea stated oh, against the state tax obligation and not the city tax. Thank you.

Alderman Gatsas asked, Jane, can you explain to me why you made that area so large?

Ms. Hills replied we had a meeting with the Planning Director and the Mayor's staff and we started with the area around the Airport, it has to be a contiguous area. The area around the Airport we started with because that is where the company that's requested this looking to locate. We wanted to include the JacPac area for redevelopment and also the downtown because there are buildings in the downtown area now that are vacant or need to be redeveloped and we'd like to be able to get some more development going downtown. It has to be a contiguous area, so we couldn't pick and choose.

Alderman Gatsas stated from my recollection there is specific criteria within the CROP zoning, does that meet the brownfield's by the Airport, does it meet those specifications?

Mr. Hills replied it meets the qualification that there are vacant buildings that were formally occupied by businesses and are now vacant; that was one...I believe that was put in later...I think the bill was attached in your package...in the section...the "zone has to contain vacant

land or structures previously used for either industrial, commercial or retail purposes, but currently not so used due to demolition, age, obsolescence, deterioration, relocation or the former occupants operations or cessation of operation \resulting from unfavorable economic conditions either generally or in a specific economic sector.”

Alderman Gatsas stated so are you saying that...

Ms. Hills interjected that’s the area in which we feel we would qualify it doesn’t have to be a brownfield. I believe the bill was...as it made its way through the Legislature last year it started out as brownfields and then was expanded so that other communities would have the opportunity to take advantage of it.

Alderman Gatsas stated I think when this was done it was an attempt to expand economically deprived areas to bring in new business. There was funding attached to this but that was pulled out at the last minute. Now, some of the criteria that falls within this...and I made the statement on the Senate floor that you’re going to find communities that are going to take this to the complete limit and it really could cost the state an awful lot of revenue on the BET and the BPT tax because it’s not about doing one area it’s about doing a significant portion of the city that is going to allow that for anybody moving in. Now, I know it doesn’t affect the local tax base because that tax base stays in place, but it is going to Effect the revenues to the state.

Ms. Hills stated I believe the amount of money set aside for tax credits, I don’t know the exact number but it’s not a huge amount so there is a limit to the tax credits that can be given under this program.

Alderman DeVries stated, Jane, I understand that you probably aren’t an expert with legislation but on the second page of that when it’s quoting after 162-N2 Designation of CROP Zone indicting (a), (b) and (c) population of the municipality has to have decreased during the preceding 20 years...is Manchester going to be eligible.

Ms. Hills replied no but the way that I read this bill anyway and we as a group read it is if you notice at the end of the paragraph just prior to those abc’s it says “must have at least one of the following characteristics”...there’s abc & d on the next page and (d) is the one in which we are hanging our hats on.

Alderman DeVries stated in that determination whether we are eligible is actually made by the state, it’s further scrutinized.

Ms. Hills replied it is made by the Commissioner of Resources and Economic Development, yes.

Alderman Guinta stated two questions. I can't tell from this map...is any portion of the west side included?

Ms. Hills replied no it's not.

Alderman Guinta asked is there any particular reason why not?

Ms. Hills replied no we were trying to make sure that it was contiguous and perhaps we thought the river would be a break, I'm not sure exactly how that did work out.

Alderman Guinta stated the second question is is it possible and I'm just throwing that out there...if other communities in the state end up adopting these rules could it impact the state revenue to the point where adequacy grant money could be altered in future years? I don't know if that's really a question for you, but a question for the Board, is that something that we should think about or consider?

Alderman Gatsas replied the adequacy dollars according to state regulations is those are the first dollars paid before anything else.

Alderman Guinta stated but we've seen that there are a lot of changes that have been made...

Alderman Gatsas interjected you didn't ask that, you just merely asked the question and I said...anything that goes into the Education Trust Fund is paid out first.

Mayor Baines called for a vote on the motion. There being none opposed, the motion carried.

21. Ordinances:

“Amending Chapter 32. Boards, Commissions, and Departments of the Code of Ordinances of the City of Manchester by renaming the Art Commission to the Arts Commission.”

“Amending Sections 33.024, 33.025 and 33.026 (Economic Development Director) of the Code of Ordinances of the City of Manchester.”

“Amending Section 33.025 (Assistant to the Assessor) of the Code of Ordinances of the City of Manchester.”

“Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as 398 Hanover Street, Map 0289, Lot 0015.”

“Authorizing the Mayor to Dispose of Certain Tax Deeded Property Known as Michigan Avenue, Map 0246, Lot 0001.”

“Amending the Zoning Ordinance of the City of Manchester by amending Article 13, Section 13.04, Computation of impact fee.”

On motion of Alderman Thibault, duly seconded by Alderman Shea, it was voted to dispense with the reading by titles only, and it was so done.

These Ordinances having had their third and final reading by titles only, Alderman Shea moved on passing same to be Ordained. Alderman DeVries duly seconded the motion.

Alderman Roy moved to remove the Computation of impact fee ordinance. Alderman Forest duly seconded the motion. Aldermen Shea, DeVries, Smith, Thibault, Gatsas, Sysyn, Osborne and O'Neil voted nay. Aldermen Garrity, Forest, Roy, Guinta voted yea. Aldermen Porter and Lopez were absent. The motion failed.

Mayor Baines called for a vote on the motion that the Ordinances pass and be Ordained. Aldermen Gatsas, Guinta, Garrity and Forest voted nay. Aldermen Sysyn, Osborne, O'Neil, Shea, DeVries, Smith, Thibault and Roy voted yea. Aldermen Porter and Lopez were absent. The motion carried.

Alderman Gatsas gave reconsideration for the Computation of impact fee Ordinance.

Deputy City Clerk Johnson noted the following ordinance was being removed from the agenda for layover to the next meeting.

“Amending Chapter 38: Code Enforcement of the Code of Ordinances of the City of Manchester by inserting new penalties in Section 38.06(A): Citation Penalties for various violations of Chapter 94: Noise Regulations.”

22. Resolutions:

“Amending the FY2003 Community Improvement Program, transferring, authorizing and appropriating funds in the amount of Twenty Five Thousand Dollars (\$25,000) for FY2003 CIP 713303 – South Willow Street Area Improvements.”

“Amending the FY2004 Community Improvement Program, authorizing and appropriating funds in the amount of Ten Thousand Dollars (\$10,000) for FY2004 CIP 412004 Speed Enforcement Program.”

“Authorizing the Finance Officer to effect a transfer of Ten Thousand Dollars (\$10,000.00) from Contingency to FY04 CIP Project 412004 – Speed Enforcement Program.”

“Authorizing the Finance Officer to effect a transfer of Five Thousand Two Hundred Dollars (\$5,200.00) from Contingency to City Clerk Special Projects.”

“Amending the FY2003 Community Improvement Program, authorizing and appropriating funds in the total amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) for the FY2003 CIP 511403 Derryfield Golf Course Club House Construction Project.”

On motion of Alderman Roy, duly seconded by Alderman Shea, it was voted to dispense with the reading of the Resolutions by titles only, and it was so done.

Alderman Osborne moved that the Resolutions pass and be enrolled. Alderman Thibault duly seconded the motion. The motion carried with Aldermen Guinta and DeVries duly recorded in opposition.

23. NEW BUSINESS

Mayor Baines stated I would like to give a special commendation to Tim Clougherty and all the people especially Gilbane Construction Company all associated with working to get the schools into reasonably good shape to open the schools last week. I've been touring all of the schools off and on for the past couple of weeks and see the work that's been done is absolutely magnificent and I would urge Board members if you could try to book some time and visit some of the schools to see the work that has been done it's absolutely phenomenal, so I want to comment Tim in coordinating that effort on behalf of all the school children in Manchester.

Communication from David Scannell relative to the City schools.

Deputy City Clerk Johnson stated it had been distributed for informational purposes only.

Communication from the Police Department relating to some concerns about the 98% budget.

Mayor Baines requested this item be referred to the Committee on Traffic/Public Safety.

On motion of Alderman O'Neil, duly seconded by Alderman Forest, it was voted to refer the communication to the Committee on Traffic/Public Safety.

TABLED ITEM

Resolution:

“Authorizing Bonds, Notes or Lease Purchases in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) for the 2005 CIP 811305, Revaluation Update Project.”

(Tabled 08/03/2004)

On motion of Alderman Forest, duly seconded by Alderman Sysyn, it was voted to remove the Resolution from the table for discussion.

Alderman Forest moved that the Resolution be read by title only. Aldermen Thibault duly seconded the motion. The motion carried with Alderman Gatsas duly recorded in opposition.

Alderman Forest moved that the Resolution pass and be enrolled. Alderman Thibault duly seconded the motion. Aldermen Garrity and DeVries voted nay. Aldermen Smith, Thibault, Forest, Roy, Gatsas, Sysyn, Osborne, O'Neil, Shea voted yea. Alderman Guinta abstained. Aldermen Porter and Lopez were absent.
The motion failed.

Alderman O'Neil moved that the resolution be retabled. Alderman Shea duly seconded the motion. The motion carried with Aldermen DeVries and Garrity duly recorded in opposition.

Alderman Gatsas stated I know that the Senior Center is coming to completion very quickly and moved that it be named "The Bill Cashin Senior Center" because I think that Alderman Cashin did a lot of work and was instrumental in moving that forward. Alderman Thibault duly seconded the motion.

Alderman Shea stated I recognize that Bill Cashin's picture's right here but there was another lady who did an awful lot, Irene Robie and she was a lady that instigated the idea for a senior center at a hearing that we had over at Memorial High School and then several of us met and a committee was formed and in all due respect I think that politicians sometimes get more credit than due and local citizens that work very hard get very little and are overlooked in the process, your Honor. So, everyone can agree that Bill Cashin does a great job and should be recognized but other individuals in our society which we refer to as the common, ordinary person and I think that person should be recognized and I know that she worked very hard in trying to organize and trying to get a senior center. The problem was that she probably didn't agree with the west side but nevertheless she did a great deal of work and I think that we overlook the common, ordinary person sometimes and we push politicians to the foreground.

Mayor Baines stated the only question I would have is has anybody talked to Alderman Cashin about this?

Alderman Smith replied I have, your Honor.

Alderman Guinta stated could we give this matter a little thought as a Board rather than rush into this this evening, it's not even completed yet.

Mayor Baines replied it's really up to the Board, I know there was a proposal...one of the proposals that the Fund Raising Committee was working on...I'm not talking against the motion is that there were naming rights that were out there as a potential fund raising source.

Alderman Guinta stated I think it would be prudent to take some of the suggestions under advisement tonight...the first I'm hearing of it is now. So, I think it's only fair to just think about it a little bit and also let's wait to hear what the committee has to say about the naming rights.

Alderman Smith stated I'd like to talk about Alderman Cashin. He was an Alderman in Ward 11 and Ward 10, he was very instrumental in seeing this senior center being built and also for trying to keep it where the existing one on the west side was. He put his heart and soul into it and it was one of his endeavors when he got through on the Board he asked me three favors and one was to see that the senior center would be built and he was a strong advocate of it and I hope that the Board will take a vote tonight...16 terms, 32 years of turmoil and actually he deserves recognition.

Mayor Baines stated I can also say without speaking to the motion is that without his efforts behind the scene that issue never would have been resolved especially related to the location of where it is right now.

Alderman Shea asked is it possible that we not overlook the person that I mention in terms of maybe recognizing some corner of this place for her or maybe a rock in front of the place or something like that. Whatever the case is because like I said she was the one that initiated the idea for this.

Mayor Baines stated a lot of people have been involved in this effort, a lot of people have worked very hard to make this a reality not only Irene but many other people and I think there should be some recognition for a lot of people who did the grunt work as Alderman Shea talks about behind the scenes. I can mention another name Claire Dachowski who's the resident director...there are a lot of people Barbara Vigneault and others that have worked very hard and I think we can look at appropriate...

Alderman Shea interjected but, Mayor, my last comment...no one would have wanted a senior center to this proportion unless Irene Robie came up with the idea. People were content to having one on the west side and one on the east side, so she's the one whose idea generated the fact of having a senior center on the west side and that's my comment.

Mayor Baines stated I appreciate it and I think it's something we can refer to the Elderly Services Commission in terms of recognizing people involved.

Alderman Guinta asked could we motion to table until we have a unanimous vote.

Mayor Baines stated first of all you would have to have a motion to agree to table and I don't think.

Alderman Guinta moved to table the naming of the senior center. Alderman Shea duly seconded the motion.

Alderman Guinta stated I'll withdraw my motion.

Mayor Baines called for a vote on the motion to name the new senior center "The Bill Cashin Senior Center". There being none opposed, the motion carried.

Mayor Baines stated I will be speaking before the New England Government Financial Officials Association in Brentwood on Friday to talk about the Manchester success story in terms of investment and our infrastructure, our bond rating and all the different projects that are going on in the City, so I was honored to be invited to tell the Manchester story.

On motion of Alderman Thibault, duly seconded by Alderman Forest, it was voted to recess the regular meeting to meet with the Chief Negotiator.

Alderman O'Neil moved to ratify and confirm a tentative agreement and the cost calculations dated September 3, 2004 and to waive Rule 26 for three-year agreements on the Airport/Teamsters and the Police Department Support Staff/Teamsters . Alderman DeVries duly seconded the motion. There being none opposed, the motion carried.

There being no further business to come before the Board on motion of Alderman O'Neil, duly seconded by Alderman Shea it was voted to adjourn.

A True Record. Attest.

City Clerk